

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
AH LIQUIDATION, INC., et al., <sup>1</sup>	)	Case No. 21-10883 (CTG)
	)	
	)	(Jointly Administered)
Debtors.	)	

**Objection Deadline: January 3, 2022 at 4:00 p.m.**  
**Hearing Date: January 5, 2022 at 1:00 p.m. (ET)**

**FINAL APPLICATION FOR COMPENSATION  
AND REIMBURSEMENT OF EXPENSES OF  
PACHULSKI STANG ZIEHL & JONES LLP, AS CO-COUNSEL  
FOR THE DEBTORS AND DEBTORS IN POSSESSION,  
FOR THE PERIOD FROM MAY 31, 2021 THROUGH NOVEMBER 15, 2021**

Name of Applicant:	Pachulski Stang Ziehl & Jones LLP
Authorized to Provide Professional Services to:	Debtors and Debtors in Possession
Date of Retention:	Effective as of May 31, 2021 by order signed June 28, 2021
Period for which Compensation and Reimbursement is Sought:	May 31, 2021 through November 15, 2021 <sup>2</sup>
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$521,942.50
Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$ 12,042.83
Rates are Higher than those Approved or Disclosed at Retention? Yes___ No___ If yes, Total Compensation Sought Using Rates Disclosed in Retention Application:	No
Compensation Sought in this Application Already Paid Pursuant to a Monthly Compensation Order but not yet Allowed:	\$0.00

<sup>1</sup> The Debtors, along with the last four (4) digits of each Debtor's federal tax identification number are: AH Liquidation, Inc. (8411); AH IP Liquidation, Inc. (7594); BP Liquidation Corp. (6483); QAA Liquidation, Inc. (5613); and RM Liquidation, Inc. (0430). The Debtors' business address is 81 Thompson Street, Asheville, NC 28803.

<sup>2</sup> The applicant reserves the right to include any time expended in the time period indicated above in future application(s) if it is not included herein.

Expenses Sought in this Application Already Paid Pursuant to a Monthly Compensation Order but not yet Allowed:	\$0.00
Number of Professionals Included in this Application:	11
If Applicable, Number of Professionals in this Application not Included in Staffing Plan Approved by Client:	0
If Applicable, Difference Between Fees Budgeted and Compensation Sought for this Period:	(\$16,557.50)
Number of Professionals Billing Fewer than 15 Hours to the Case During this Period:	5

This is a:      ☐ monthly      ☐ interim      ☒ final application.

The total time expended for fee application preparation is approximately 3.0 hours and the corresponding compensation requested is approximately \$1,000.00.

**PRIOR APPLICATIONS FILED**

<b>Date Filed</b>	<b>Period Covered</b>	<b>Requested Fees</b>	<b>Requested Expenses</b>	<b>Approved Fees</b>	<b>Approved Expenses</b>
11/30/21	05/31/21 – 06/30/21	\$272,451.00	\$10,622.12	Pending	Pending
12/01/21	07/01/21 – 07/31/21	\$131,164.50	\$ 305.50	Pending	Pending
12/10/21	08/01/21 – 08/31/21	\$ 60,285.00	\$ 456.90	Pending	Pending
12/13/21	09/01/21 – 11/15/21	\$ 58,042.00	\$ 658.32	Pending	Pending

**PSZ&J PROFESSIONALS**

<b>Name of Professional Individual</b>	<b>Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise</b>	<b>Hourly Billing Rate (including Changes)</b>	<b>Total Hours Billed</b>	<b>Total Compensation</b>
Laura Davis Jones	Partner 2000; Joined Firm 2000; Member of DE Bar since 1986	\$1,445.00	124.70	\$180,191.50
David M. Bertenthal	Partner 1999; Member of CA Bar since 1993	\$1,275.00	18.30	\$ 23,332.50
Victoria A. Newmark	Of Counsel 2008, Member of CA Bar since 1996	\$1,050.00	22.00	\$ 23,100.00
Timothy P. Cairns	Partner 2012; Member of DE Bar since 2002-2014; 2017-Present	\$ 875.00	269.80	\$236,075.00
Peter J. Keane	Of Counsel 2018; Member of PA Bar since 2008; Member of DE and NH Bar since 2010	\$ 845.00	0.70	\$ 591.50
Patricia J. Jeffries	Paralegal 1999	\$ 460.00	93.00	\$ 42,780.00
Patricia E. Cuniff	Paralegal 2000	\$ 460.00	6.60	\$ 3,036.00
Karina K. Yee	Paralegal 2000	\$ 460.00	4.60	\$ 2,116.00
Cheryl A. Knotts	Paralegal 2000	\$ 425.00	4.40	\$ 1,870.00
Charles J. Bouzoukis	Case Management Assistant 2001	\$ 375.00	23.20	\$ 8,700.00
Karen S. Neil	Case Management Assistant 2003	\$ 375.00	0.40	\$ 150.00

**Grand Total:     \$521,942.50**  
**Total Hours:       567.70**  
**Blended Rate:      \$919.40**

**COMPENSATION BY CATEGORY**

<b>Project Categories</b>	<b>Total Hours</b>	<b>Total Fees</b>
Asset Disposition	46.00	\$ 49,968.00
Bankruptcy Litigation	188.70	\$184,618.50
Case Administration	27.90	\$ 11,431.50
Claims Admin./Objections	30.80	\$ 31,387.50
Compensation of Prof./Others	23.80	\$ 18,385.50
Employee Benefit/Pension	1.40	\$ 976.00
Executory Contracts	10.50	\$ 8,653.00
Financial Filings	67.50	\$ 50,413.00
Financing	8.40	\$ 7,826.50
General Business Advice	8.20	\$ 11,849.00
Insurance Coverage	0.70	\$ 322.00
Meeting of Creditors	14.50	\$ 15,217.50
Operations	12.90	\$ 10,850.00
Plan & Disclosure Statement	28.00	\$ 29,161.00
Retention of Professional	10.80	\$ 10,544.00
Retention of Prof./Others	69.00	\$ 64,396.50
Stay Litigation	16.40	\$ 14,267.00
Tax Issues	2.20	\$ 1,676.00

**EXPENSE SUMMARY**

<b>Expense Category</b>	<b>Service Provider<sup>3</sup> (if applicable)</b>	<b>Total Expenses</b>
Bloomberg		\$ 40.00
Conference Call	AT&T Conference Call	\$ 85.29
Delivery/Courier Service	Advita	\$ 220.76
Filing Fee	USBC; USDC	\$8,797.00
Legal Research	Lexis/Nexis	\$ 347.82
Court Research	Pacer	\$ 433.06
Reproduction/ Scan Copy		\$1,507.10
Transcript	Veritext Legal Solutions	\$ 611.80

<sup>3</sup> PSZ&J may use one or more service providers. The service providers identified herein below are the primary service providers for the categories described.

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**FINAL APPLICATION FOR COMPENSATION  
AND REIMBURSEMENT OF EXPENSES OF  
PACHULSKI STANG ZIEHL & JONES LLP, AS CO-COUNSEL  
FOR THE DEBTORS AND DEBTORS IN POSSESSION,  
FOR THE PERIOD FROM MAY 31, 2021 THROUGH NOVEMBER 15, 2021**

Pursuant to sections 330 and 331 of Title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (collectively, the “Bankruptcy Rules”) and the Court’s “Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and (II) Granting Related Relief,” signed on or about June 28, 2021 (the “Administrative Order”), Pachulski Stang Ziehl & Jones LLP (“PSZ&J” or the “Firm”), co-counsel for the debtors and debtors in possession (“Debtors”), hereby submits its Final Application for Compensation and for Reimbursement of Expenses for the Period from May 31, 2021 through November 15, 2021 (the “Application”).

By this Application PSZ&J seeks a final allowance of compensation in the amount of \$521,942.50 and actual and necessary expenses in the amount of \$12,042.83 for a

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<sup>1</sup> The Debtors, along with the last four (4) digits of each Debtor’s federal tax identification number are: AH Liquidation, Inc. (8411); AH IP Liquidation, Inc. (7594); BP Liquidation Corp. (6483); QAA Liquidation, Inc. (5613); and RM Liquidation, Inc. (0430). The Debtors’ business address is 81 Thompson Street, Asheville, NC 28803.

total allowance of \$533,985.33 and payment of the unpaid portion of such fees and expenses for the period May 31, 2021 through November 15, 2021 (the “Fee Period”):

**Background**

1. On May 31, 2021, the Debtors commenced these cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code commencing these cases. The Debtors continued in possession of their property and continued to operate and manage their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Debtors’ chapter 11 cases.

2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

3. On or about June 28, 2021, the Court signed the Administrative Order, authorizing certain professionals (“Professionals”) to submit monthly applications for interim compensation and reimbursement for expenses, pursuant to the procedures specified therein. The Administrative Order provides, among other things, that a Professional may submit monthly fee applications. If no objections are made within twenty-one (21) days after service of the monthly fee application the Debtors are authorized to pay the Professional eighty percent (80%) of the requested fees and one hundred percent (100%) of the requested expenses. Beginning with the period ending September 30, 2021, and at three-month intervals thereafter, each of the Professionals may file and serve an interim application for allowance of the amounts sought in

its monthly fee applications for that period<sup>2</sup>. All fees and expenses paid are on an interim basis until final allowance by the Court.

4. The retention of PSZ&J, as co-counsel for the Debtors, was approved effective as of May 31, 2021 by this Court's "Order Pursuant to Section 327(a) of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure and Local Rule 2014-1 Authorizing the Employment and Retention of Pachulski Stang Ziehl & Jones LLP as Co-Counsel for the Debtors and Debtors in Possession Effective as of the Petition Date," signed on or about June 28, 2021 (the "Retention Order"). The Retention Order authorized PSZ&J to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

5. Attorneys retained pursuant to sections 327 or 1103 of the Bankruptcy Code must comply with certain requirements of the United States Trustee's Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. §330 by Attorneys in Larger Chapter 11 Cases (the "Revised UST Guidelines"). The Office of the United States Trustee has promulgated forms to aid in compliance with the Revised UST Guidelines. Charts and tables based on such forms are attached hereto as exhibits and filled out with data to the extent relevant to these cases: Exhibit "A", Customary and Comparable Compensation Disclosures with Fee Applications; Exhibit "B", Summary of Timekeepers Included in this Fee Application, Exhibit "C-1", Budget; Exhibit "C-2", Staffing Plan; Exhibit

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<sup>2</sup> The Administrative Order sets forth that the initial interim fee period will include the period from the petition date through September 30, 2021. The Administrative Order incorrectly also lists the initial interim fee period as ending on December 31, 2020, a clearly typographical error which is not relevant to this final fee application.

“D-1”, Summary of Compensation Requested by Project Category; Exhibit “D-2”, Summary of Expense Reimbursement Requested by Category; and Exhibit “E”, Summary Cover Sheet of Fee Application.

**PSZ&J’s APPLICATION FOR COMPENSATION AND  
FOR REIMBURSEMENT OF EXPENSES**

**Compensation Paid and Its Source**

6. The monthly fee applications of PSZ&J for the period May 31, 2021 through November 15, 2021 have been filed and served pursuant to the Administrative Order. Attached hereto as Exhibits F through I are copies of the monthly fee applications filed by PSZ&J in the Debtors’ cases.

**Requested Relief**

7. By this Final Fee Application, PSZ&J requests that the Court approve the final allowance of compensation for professional services rendered and the reimbursement of actual and necessary expenses incurred by PSZ&J from May 31, 2021 through November 15, 2021. As stated above, the full scope of the services provided and the related expenses incurred are fully described in the monthly fee applications for the Fee Period that already have been filed with the Court. To the extent that PSZ&J has incurred fees and expenses in addition to the foregoing, PSZ&J reserves the right, and respectfully requests that the Court authorize PSZ&J, to file a supplemental fee application(s) by following the interim compensation procedures set forth in the Administrative Order and submitting a certificate of no objection and order to the Court for final approval of such fees and expenses as may be reflected in any supplemental fee application.

8. At all relevant times, PSZ&J has not represented any party having an interest adverse to the case.

9. At all relevant times, PSZ&J has been a disinterested person as that term is defined in §101(14) of the Bankruptcy Code and has not represented or held an interest adverse to the interest of the Debtors.

10. All services for which PSZ&J requests compensation were performed for or on behalf of the Debtors, and not on behalf of any committee, creditor or other person.

11. PSZ&J has received no payment and no promises for payment from any source other than from the Debtors for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. There is no agreement or understanding between PSZ&J and any other person other than the partners of PSZ&J for the sharing of compensation to be received for services rendered in these cases. PSZ&J has received payments from the Debtors during the year prior to the Petition Date in the amount of \$350,000, in connection with the preparation of initial documents and its prepetition representation of the Debtors.

12. The professional services and related expenses for which PSZ&J requests final allowance of compensation and reimbursement of expenses were rendered and incurred in connection with these cases in the discharge of PSZ&J's professional responsibilities as attorneys for the Debtors in these chapter 11 cases. PSZ&J's services have been necessary and beneficial to the Debtors and their estates, creditors and other parties in interest.

13. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by PSZ&J is fair and reasonable given (a) the complexity of the case, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under the Bankruptcy Code. Moreover, PSZ&J has reviewed the requirements of Del. Bankr. LR 2016-2 and the Administrative Order and believes that this Application complies with such Rule and Order.

**Statement from PSZ&J**

14. Pursuant to the Appendix B Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under the United States Code by Attorneys in Larger Chapter 11 Cases, PSZ&J responds to the following questions regarding the Application:

<b>Question</b>	<b>Yes</b>	<b>No</b>	<b>Additional Explanation or Clarification</b>
Did you agree to any variations from, or alternatives to, your standard or customary billing rates, fees or terms for services pertaining to this engagement that were provided during the application period? If so, please explain.		No	
If the fees sought in this fee application as compared to the fees budgeted for the time period covered by this fee application are higher by 10% or more, did you discuss the reasons for the variation with the client?		N/A	
Have any of the professionals included in this fee application varied their hourly rate based on the geographic location of the bankruptcy case?		No	

Does the fee application include time or fees related to reviewing or revising time records or preparing, reviewing, or revising invoices?		No	
Does this fee application include time or fees for reviewing time records to redact any privileged or other confidential information? If so, please quantify by hours and fees.		No	
If the fee application includes any rate increases since retention in these Cases: <ul style="list-style-type: none"> <li>i. Did your client review and approve those rate increases in advance?</li> <li>ii. Did your client agree when retaining the law firm to accept all future rate increases? If not, did you inform your client that they need not agree to modified rates or terms in order to have you continue the representation, consistent with ABA Formal Ethics Opinion 11-458?</li> </ul>		N/A	

WHEREFORE, PSZ&J respectfully requests that the Court enter an order, substantially in the form attached hereto, providing that, for the period of May 31, 2021 through November 15, 2021, a final allowance be made to PSZ&J in the sum of \$521,942.50 as compensation for reasonable and necessary professional services rendered to the Debtors and in the sum of \$12,042.83 for reimbursement of actual and necessary costs and expenses incurred, for a total of \$533,985.33; that Debtors be authorized and directed to pay to PSZ&J the outstanding amount of such sums; that to the extent PSZ&J has incurred fees and expenses in addition to the foregoing, PSZ&J may file a supplemental fee application(s) and submit a certificate of no objection and order to the Court for final approval of such fees and expenses as

may be reflected in any supplemental fee application; and for such other and further relief as this Court deems proper.

Dated: December 13, 2021

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Laura Davis Jones

Laura Davis Jones (DE Bar No. 2436)

David M. Bertenthal (CA Bar No. 167624)

Timothy P. Cairns (DE Bar No. 4228)

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Co-counsel for the Debtors and Debtors in Possession

**DECLARATION**

STATE OF DELAWARE       :  
   :  
COUNTY OF NEW CASTLE  :

Laura Davis Jones, after being duly sworn according to law, deposes and says:

a)       I am a partner with the applicant law firm Pachulski Stang Ziehl & Jones LLP, and have been admitted to appear before this Court.

b)       I am familiar with the work performed on behalf of the debtors and debtors in possession by the lawyers and paraprofessionals of PSZ&J.

c)       I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Del. Bankr. LR 2016-2 and the Administrative Order signed on or about June 28, 2021 and believe that this Application substantially complies with such Rule and Order.

/s/ Laura Davis Jones  
Laura Davis Jones

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
AH LIQUIDATION, INC., et al., <sup>1</sup>	)	Case No. 21-10883 (CTG)
	)	
	)	(Jointly Administered)
Debtors.	)	

**ORDER GRANTING  
FINAL APPLICATION FOR COMPENSATION  
AND REIMBURSEMENT OF EXPENSES OF  
PACHULSKI STANG ZIEHL & JONES LLP, AS CO-COUNSEL  
FOR THE DEBTORS AND DEBTORS IN POSSESSION,  
FOR THE PERIOD FROM MAY 31, 2021 THROUGH NOVEMBER 15, 2021**

Pachulski Stang Ziehl & Jones LLP (“PSZ&J”), as Co-Counsel for the Debtors and Debtors in Possession (“Debtors”) in the above-captioned cases, filed its Final Application for Compensation and for Reimbursement of Expenses for the Period from May 31, 2021 through November 15, 2021 (the “Final Application”). The Court has reviewed the Final Application and finds that: (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (b) notice of the Final Application, and any hearing on the Final Application, was adequate under the circumstances; and (c) all persons with standing have been afforded the opportunity to be heard on the Final Application. Accordingly, it is hereby

ORDERED that the Final Application is GRANTED, on a final basis, and all fees and costs requested in the Final Application are allowed on a final basis. Debtors in the above

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<sup>1</sup> The Debtors, along with the last four (4) digits of each Debtor’s federal tax identification number are: AH Liquidation, Inc. (8411); AH IP Liquidation, Inc. (7594); BP Liquidation Corp. (6483); QAA Liquidation, Inc. (5613); and RM Liquidation, Inc. (0430). The Debtors’ business address is 81 Thompson Street, Asheville, NC 28803.

cases shall pay to PSZ&J the sum of \$521,942.50 as compensation and \$12,042.83 as reimbursement of expenses, for a total of \$533,985.33 for services rendered and disbursements incurred by PSZ&J for the period May 31, 2021 through November 15, 2021, less any amounts previously paid in connection with the monthly fee applications.

ORDERED that to the extent PSZ&J has incurred fees and expenses in addition to the foregoing, PSZ&J may file one or more supplemental fee applications by following the interim compensation procedures set forth in the Administrative Order and submitting a certificate of no objection and order to the Court for final approval of such fees and expenses as may be reflected in any such supplemental fee application.

ORDERED that this Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.